

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 5
(MC2014-1)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-1

**NOTICE OF UNITED STATES POSTAL SERVICE OF AMENDMENT TO
PARCEL SELECT AND PARCEL RETURN SERVICE CONTRACT 5**
(December 27, 2016)

The Postal Service hereby provides notice that the terms of Parcel Select and Parcel Return Service Contract 5, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select and Parcel Return Service Contract 5 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one business day following the day that the Commission completes its review of this filing.

The supporting financial documentation and a certified statement, as required by 39 C.F.R. § 3015.5, are also included with this filing. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.

Chief Counsel, Pricing and Product Support

Elizabeth A. Reed

475 L'Enfant Plaza West, S.W.

Washington, D.C. 20260-1137

(202) 268-3179, Fax -6187

elizabeth.a.reed@usps.gov

December 27, 2016

ATTACHMENT A
AMENDMENT TO PS-PRS CONTRACT 5

**AMENDMENT #5
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING PARCEL SELECT SERVICE
AND PARCEL RETURN SERVICE**

This Amendment #5 ("Amendment") amends the Shipping Services Contract dated October 15, 2013, regarding Parcel Select Service and Parcel Return Service, made by and between [REDACTED] ("Customer") and the United States Postal Service ("the Postal Service" and such contract, the "Contract"). The Contract was reviewed by the Postal Regulatory Commission (the "Commission") in its Docket No. CP2014-1 as Parcel Select and Parcel Return Service Contract 5, and became effective on October 30, 2013.

WHEREAS, the Parties each desire to amend the Contract by amending and restating Section I.I.3 Table 2, and Section I.I.4 in their entirety.

NOW, THEREFORE, the Parties hereby mutually agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment will become effective one (1) business day following the day on which the Commission issues all necessary regulatory approval.

Section I.I.3 Table 2 of the Contract is hereby amended and restated in its entirety, as follows:

Section I.I.3

Table 2

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Section I.I.4 of the Contract is hereby amended and restated in its entirety, as follows:

Section I.I.4

4. For each Contract Year:
 - a. Customer shall provide the Postal Service with its Volume Estimation and Parcel Return Service Volume Estimation as set forth in Section I.H.
 - b. Parcel Select.
 - i. For subsequent Contract Years, Customer shall pay the prices for Tier 2 in Table 1, as adjusted pursuant to Section I.J, based on Customer's Volume Estimation for that Contract Year for Parcel Select.
 - ii. For subsequent Contract Years, if Customer's actual volume of pieces tendered by Customer falls more than [REDACTED] below the annual Volume Estimation, Customer will be required to pay the difference between the prices in Tier 1 and the prices in Tier 2, for all pieces shipped by Customer during that Contract Year for Parcel Select, no later than 60 days after the conclusion of such Contract Year. The payment will be processed in accordance with the eVS Authorization Letter provided to Customer.

[REDACTED]

c. Parcel Return Service.

- i. Commencing on the effective date of this Amendment through the termination or expiration of this Contract, Customer shall pay the prices for Tier 2 in Table 2, as adjusted pursuant to Section I.J., based on Customer's Parcel Return Service Volume Estimation for that Contract Year for Parcel Return Service.
 - ii. For subsequent Contract Years, the Postal Service will review the actual volume of RDU pieces tendered by Customer under this Agreement on a monthly basis and provide to Customer in writing within 15 days after the close of each month, If Customer's actual volume of RDU pieces (a) falls below [REDACTED] of total Parcel Return Service volume tendered by Customer during a [REDACTED], Customer will be reverted to Tier 1 pricing in Table 2 as adjusted pursuant to Section I.J. for the immediately following three month period for Parcel Return Service, or (b) is at or above [REDACTED] of total Parcel Return Service volume tendered by Customer for [REDACTED], Customer will remain at or revert to (as applicable) Tier 2 pricing in Table 2 as adjusted pursuant to Section I.J.
 - iii. The Postal Service will review the average weight of Parcel Return Service Contract Packages tendered by Customer under this Agreement on a monthly basis and provide to Customer in writing within 15 days after the close of each month. If the average weight of Parcel Return Service packages tendered by Customer under this Agreement on a monthly basis (as provided to Customer) exceeds [REDACTED] for [REDACTED], the Postal Service at its sole discretion reserves the right to revert Parcel Return Service pricing to Tier 1 in Table 2.
- [REDACTED]

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

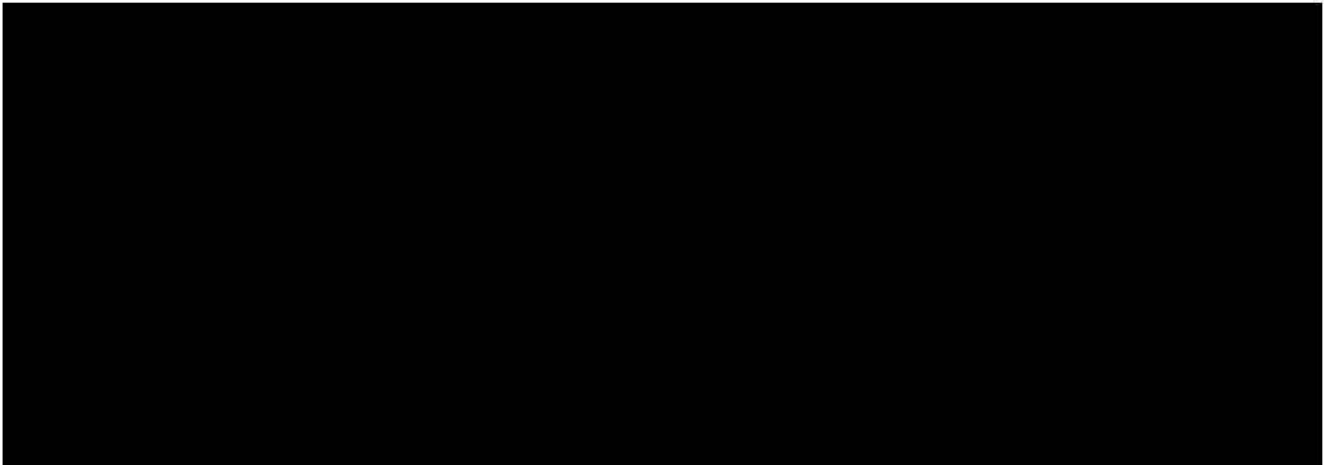
UNITED STATES POSTAL SERVICE

Signed by: DocuSigned by: Cliff Rucker
24459E0DA0B24B6...

Printed Name: Cliff Rucker

Title: Senior Vice President Sales and Customer Relations

Date: December 8, 2016

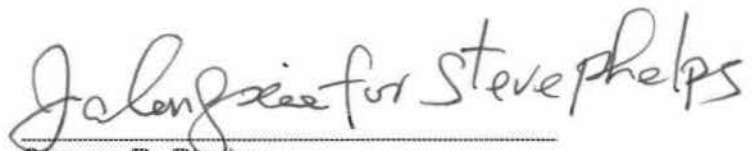


ATTACHMENT B
FINANCIAL CERTIFICATION

**Certification of Prices for Amendment to
Parcel Select/Parcel Return Service Contract 5**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select/Parcel Return Service Contract 5. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on in the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven R. Phelps

12/27/16